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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/679,848	10/05/2000	R. Raymond May	38866/204614	9189

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EXAMINER
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KYLE, CHARLES R

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 06/24/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

**Application No.**

09/679,848

**Applicant(s)**

MAY, R. RAYMOND

**Examiner**

Charles R Kyle

**Art Unit**

3624

MW

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 05 October 2000.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-11 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-11 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input checked="" type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)  | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date <u>2</u> . | 6) <input type="checkbox"/> Other: _____  |

Art Unit: 3624

## **DETAILED ACTION**

### ***Claim Objections***

Claims 1-5 are objected to because of the following informalities: The Claims recite the phrase “determines an auction price based on the prices of the received order.” It appears that the phrase should read “determines an auction price based on the price of the received order.” Appropriate correction is required.

### ***Claim Rejections - 35 USC § 112***

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim 2 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. It recites the phrase “wherein the auction merchandise generates a transition confirmation.” It appears that the phrasing is intended to be “wherein the auction mechanism generates a transaction confirmation.”

### ***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

**Claims 6-11** are rejected under 35 U.S.C. § 101 because, the claimed invention is directed to a non-statutory subject matter. Specifically the method claims as presented does not

Art Unit: 3624

claim a technological basis in the pre-amble and the body of the claim. Without a claimed basis, the claims may be interpreted in an alternative as involving no more than a manipulation of an abstract idea and therefore non-statutory under 35 U.S.C. 101. In contrast, a method claim that includes in the body of the claim at least one structural / functional interrelationship which can only be computer implemented is considered to have a technological basis [See Ex parte Bowman, 61 USPQ2d 1669, 1671 (Bd. Pat. App. & Inter. 2001) - used only for content and reasoning since not precedential].

In order to over come the 101 rejection above, the following preamble is suggested: "A computer implemented method for ---", or something similar. Also, in the body of the claims include at least one structural / functional interrelationship which can only be computer implemented.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

**Claims 1-2, 4-8 and 10-11** are rejected under 35 U.S.C. 103(a) as being unpatentable over US 5,136,501 *Silverman et al*, already of record, in view of *Parity Trademark History*, hereinafter, *Parity*.

**With respect to Claim 1**, *Silverman* discloses the invention substantially as claimed, including in a system for performing a two-way many to many auction for financial instruments (Col. 7, lines 7-18), the elements of :

Art Unit: 3624

A plurality of auction modules, each being associated with a trader, that receive orders for financial instruments from respective said traders (Col. 6, line 66 to col. 7, line 5; Col. 14, line 42 to col. 15, line 23), wherein said orders comprise a price, a quantity and an action (Figs. 4, 5);

An auction mechanism that receives the orders from the auction modules (Col. 15, lines 3-14) and credit preferences (Col. 18, lines 24-29) for each trader submitting an order, determines an auction price based on the received order and matches orders at said auction price based on said credit preferences of said traders (Col. 15, lines 23-36).

See also Col. 19 lines 58-68.

*Silverman* does not specifically disclose that matching of trades occurs above the auction price, although *Silverman* discusses matching off a best order at Col. 27-58. *Parity* discloses matching of orders above an auction price at page 5, bracketed text. It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the auction system of *Silverman* to allow matching of orders above an auction price because this would provide clearing of all offers and maximize profitability of the auction as set forth by *Parity*.

**With respect to Claim 2**, *Silverman* discloses transaction confirmations at Col. 15, lines 23-42.

**Concerning Claim 4**, *Silverman* discloses bid and ask actions at Figs. 4 and 5.

**Concerning Claim 5**, *Silverman* discloses receiving credit preferences from an auction module at Col. 18, lines 23-29.

**As to Claim 6**, it is effectively the method form of Claim 1 and is rejected in a like manner.

**With respect to Claims 7 and 8**, see the discussion of Claims 6 and 2.

**With respect to Claim 10**, *Silverman* discloses transactions resulting from matches of paired orders at Col. 13, line 56 to Col. 14, line 41, particularly Col. 13, lines 6-8.

**Concerning Claim 11**, see the discussions of Claim 6 and 4.

**Claims 3 and 9** are rejected under 35 U.S.C. 103(a) as being unpatentable over US 5,136,501 *Silverman et al*, already of record, in view of *Parity* and further in view of US 6,012,046 *Lupien et al*.

**With respect to Claim 3**, *Silverman* discloses the invention substantially as claimed. See the discussion of claim 1 above. *Silverman* does not specifically disclose giving priority to orders having a higher price. *Lupien* discloses priority based on price at Col. 2, lines 58-61. It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify *Silverman* with the priority price ordering of *Lupien* because this would match higher priced orders first to produce a more profitable auction.

**Concerning Claim 9**, see the discussion of Claims 6 and 3.

### ***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Charles R Kyle whose telephone number is (703) 305-4458. The examiner can normally be reached on M-F 6:00-2:30.

Art Unit: 3624

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent A Millin can be reached on (703) 308-1065. The fax phone number for the organization where this application or proceeding is assigned is 703-305-7687.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

crk  
June 21, 2004

Examiner Charles Kyle

A handwritten signature in black ink, appearing to read "Charles Kyle", with a stylized flourish at the end.